



E-NEWSLETTER

GETTING YOUR FINANCIAL PLANS READY FOR THE NEW YEAR



The New Year is almost here and as always it offers the promise of great things to come. Talks about the benefits of better managing personal finances have been heard several times by most people but it still seems so overwhelming to carry out. Establishing financial priorities for anyone at any adult stage of life requires commitment and astuteness.



Here are five (5) simple steps to get your financial plan ready for the new year:

Step 1. Create and review your financial plan.

Basically, a financial plan is a written set of goals, strategies and timelines for accomplishing your personal goals: buying your first home, funding your children's education, paying off debts, etc. Writing out this plan, whether on a yellow pad or a spreadsheet motivates you to be accountable and implement your to-do list of action steps.

Step 2. *Organize your financial records.

Successfully managing your personal finances is much easier if you know what those finances are.

Gather up your financial records for easy access and organisation.

Investment accounts Insurance Policies
Bank statements Tax returns
Real Estate Property Documents
Current credit report Mortgage/Rent

By getting all these together, you can more easily evaluate your current financial position and can set the stage for your financial goals and priorities for the coming year.

Step 3. *Calculate your net worth.

Net worth is the best measurement of the state of your financial health and should be used as the basis for any financial decisions you make. Once your financial records are organized, calculate your net worth.

If your assets (house, bank accounts, investments, etc.) exceed your liabilities (mortgage/rent, auto loans, personal loans, etc.), then your net worth will be positive.

On the other hand, if you owe more than you own, you have a negative net worth.

Your goal should be to increase your net worth on an annual basis.

Step 4. Establish a spending plan.

A spending plan details where your money comes from and where it goes. The inflows include your salary, bonus, interest income and any other sources of income you have. Inflow is the part that is generally easiest to recall. The outflow section is a detailed listing of where your money goes.

The most important outflow should be your savings. If you are living within your means, then your inflow will

equal your outflow.

Having a balanced spending plan should be a financial priority regardless of where you are in life or what your net worth is. A spending plan identifies the key areas where you want your resources to go and highlights wasted spending. It can also provide an early warning of impending financial problems.

If this is your first time of establishing a spending plan, consider using a software tool such as a spreadsheet to help you.

Step 5. Know your current credit status.

Your credit score and underlying history is one of the most vital parts of your financial life. Your credit status will play a huge role in many major financial situations throughout your life as it increases your access to finance for business and personal growth. Knowing your current credit status keeps you one step ahead in your borrowing decisions.



You are entitled to one free credit report every year from the credit bureau to know what your current credit status and can also subscribe to credit monitors to receive periodic updates on your credit status throughout the new year.

For more information on how to know your credit status, please contact your support@crccreditbureau.com, call +23480720622 or visit our website www.crccreditbureau.com

(* Reference: Inc.com)